

Mr William Wragg MP  
Public Administration and Constitutional Affairs Committee  
House of Commons  
London  
SW1A 0AA



**By Email only**

10 August 2020

Dear William,

As part of your Committee's recent scrutiny of my Office, the Committee noted:

*'The PHSO has achieved significant savings in a short amount of time as part of the 2015 Spending Review but there is now a need for a serious discussion on the level of funding the PHSO requires to fulfil its ambition to become an exemplary ombudsman. PACAC would support an evidenced-based bid for funding if it was demonstrated that this would improve service to complainants.'*

You asked that I keep you informed of our funding requirements and the implications of the eventual settlement we receive. I am writing to update you about our initial plans for the Comprehensive Spending Review (CSR) following its launch by the Chancellor last month.

### **Our current position**

The recent independent Value for Money Study of PHSO found that we had taken, *'a bold approach to reform'* and that this has *'significantly enhanced the efficiency of [PHSO's] operations and the value for money it is able to provide'*.

The changes we have made in the last three years have not only transformed an organisation in crisis but also put us in a position where we are already well aligned with some of the key strategic aims of the new CSR.

For example, we have moved most of our staff from London to Manchester and our future recruitment will now be focussed on the Manchester office. This meets the Government's priority objective to *'level up'* across the regions through locating public sector offices *'outside London'* and creating skilled, professional jobs in areas such as the North West.



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Similarly, as part of the savings achieved, we significantly slimmed down our leadership and corporate service teams (which includes communications) and refocused our workforce recruitment on our frontline operations. As a result, we previously had a dedicated Communications Director and two Assistant Directors whereas we now have a single Assistant Communications Director with the function managed at Director level as part of a much broader portfolio.

### **Areas for Investment**

I recently wrote to you about the consultation I have launched on a new three-year corporate strategy, which will come into effect at the same time as the new CSR period. We have set out an ambitious and realistic set of proposals that, despite our independent role, fit well with the broader objectives the Government has set out in the CSR. Indeed, of the six key priorities identified by the Government for the CSR, the future strategy we have set out delivers activity that directly aligns with three of these. We plan, in evidence-based fashion, to invest in our core service by adding to our investigative capacity both in terms of techniques and numbers of complaint handlers, improve our ICT, develop a Learning Academy to continue to professionalise service provision, and to develop our capacity for Evaluation.

### ***Our core service***

One key outcome that the Government is seeking is *'improving outcomes in public services, including supporting the NHS'* This sits at the heart of our work. The recommendations we make through our casework and the reports we lay before Parliament provide both individual remedy and systemic learning that improves public services, especially the NHS. Reducing the incidence of mistakes makes public services more efficient for the taxpayer and more effective for those using them. We are already committed to publishing most of our casework as part of our current strategy to further increase the visibility of, and learning from, our work.

We anticipate that the current COVID-19 crisis will create a long tail of cases over the coming months. In addition to complaints already being received about treatment during the pandemic period, this increase is likely to be particularly acute due to the delayed and cancelled treatment that has been widely reported. We may also see spikes in our Parliamentary jurisdiction, for example in relation to the millions of additional Universal Credit claims. Our casework recommendations will help support the NHS and others to understand the impact of what has happened to patients and services, informing the preparations for future pandemics.

We want to expand the methods of investigation we can utilise to resolve cases and address the increased complexity of issues coming to us. We also want to increase our frontline staff numbers to help manage the increase in volumes.

There is a need to add to the range of our resolution skills, already extended by the successful piloting of mediation. We will meet the key challenge posed by Sir Liam Donaldson in the independent advice he provided to our Clinical Advice Review to inform health investigations with new human factors approaches and more rigorous scrutiny of systemic issues. Increased capacity to look at systemic issues will also inform our scrutiny of Parliamentary cases. The importance of this work was also highlighted by the independent Value for Money study into our service. We also plan to incrementally increase the ratio of managers and senior caseworkers to casework staff, to reflect both the complexity of the changing caseloads and to address the additional management tasks that the new ways of working require.

Employing new staff quickly so they are properly trained and in place to manage such cases is important. Without this investment I am concerned that longer queues in our service will lead to unnecessary delays in routine case handling. This would, in turn, undermine the ability of public bodies to learn from mistakes sufficiently quickly, as well as our capacity to support Parliament in its work scrutinising services.

We also want to ensure that our core service is available and accessible to those that need it. This means conducting research to understand both where there are gaps in awareness of what we do across the country and why people from these groups and areas do not access our service. These are likely to be among the most disadvantaged people in society. Once we have a clearer picture of which groups need the most support, we want to then target outreach work to engage them, learning from the various approaches taken by other Ombudsman schemes in Europe internationally as part of their own routine work in this area. This may include digital activity or in-person meetings with groups across the country. Any solution will be new activity that will require funding.

The recommendations we make where there has been a failure should help reduce the amount of time people have to spend engaging with public services just to get what they need and are entitled to. This in turn should also make the services they are using more efficient and effective, reducing their costs.

### ***Improving ICT***

We need greater capital investment to improve our ICT systems further and allow us to maximise the benefit of new technology.

We want to develop digital, cloud-based transfer of information between ourselves and the organisations we investigate, especially the NHS. This should reduce the costs that both organisations and our service incur by physically transferring information, enhance further the security of the sensitive data we handle and will also speed up case handling. Capital investment in our front-end service, so complainants can see the progress of their case

online, will also help improve people's experience of our service and reduce the demand to provide direct updates allowing our staff to focus on delivering casework more quickly. There is also the potential for developing a platform for the online delivery of some of our services, including training and complaint resolution tools, which we plan to explore and deliver in this period. Moving to digital delivery will improve the resilience of our offer into the longer term.

### ***Developing an Academy of Learning***

We have also proposed in our new strategy how we can help embed the new complaint standards we have developed for the NHS and beyond. These standards, now out to public consultation, should create a stronger culture of learning in the NHS and in the longer term, Government departments, that will help make services more efficient in the long term by improving delivery and reducing the time spent on complaints.

The professional training and accreditation model we have already adopted means we have a template we can use to help improve frontline complaint handling. Due to our outdated legislation, however, we cannot currently charge for any training services we provide. We will be calling on the Government to take the first available opportunity to amend our legislation so we can do this and would welcome the Committee's support in this area.

In the meantime, we will seek investment through the CSR to establish a new learning academy and professional qualifications for complaint handling at all levels. An initial discovery exercise with an international expert in this field has indicated that, by working with a university partner, we can progress this quickly.

This will create a common standard of training and qualifications for frontline staff working in organisations we investigate, as well as our own staff, professionalising the sector and increasing career opportunities. In the short term, as part of our CSR bid we will seek funding to develop these qualifications and fund our own staff in taking them, as well as a pilot cohort of frontline complaint handlers to test and refine this new approach. We would then hope by the point this work was complete, that our legislation will have been updated to enable us to charge for services and launch a new Academy along these lines.

The CSR also calls for bids that contribute to '*strengthening the UK's place in the world*'. The Peer Review Value for Money Study into our service has already indicated that our training is, '*innovative and ... offer[s] potential for learning for other ombudsman offices*'. We believe the Academy could quickly become an international centre for excellence. This would help place the UK at the forefront of an area that, following the development of the Venice Principles for the Protection and Promotion of Ombudsmen, has received increased international attention.

## Evaluation

We already collect and publish sector-innovative data on our performance through our Service Charter - we are committed to expanding this as part of our CSR bid by conducting more qualitative research into the performance of our service. Publishing most of our casework, including our recommendations for system change and service improvements, along with the level of compliance with these recommendations, will provide evidence of our impact and also allow regulators, Parliament and others to hold public bodies to account for the quality of their services.

In addition, as you are aware, I have already committed to commissioning a new Peer Review to give a further independent view to your Committee on how successfully we have delivered our current strategy, including the recommendations of the Clinical Advice Review. The terms of reference of this Review will consider both the final version of our next strategy and the impact of the funding settlement we receive. The Review could then set out for the Committee areas it may wish to explore as part of its scrutiny of PHSO's service as it delivers its new commitments over the 3-year period.

I hope you find this update helpful and can confirm your support for our approach with HM Treasury. I look forward to discussing this further with you and will of course ensure you are also sighted on our final bid, which we have been asked to submit by 24 September.

Yours sincerely

*Rob Behrens*



Rob Behrens CBE  
**Ombudsman and Chair**  
Parliamentary and Health Service Ombudsman